FOCUS | NRN

Advertising will play pivotal role for chains in '85

By Ken Frydman
Advertising and Promotions Editor

NEW YORK — From high-technology computers and toys to fashion and fast-food, this is the golden age of marketing. As competition for market share heats up and diversification intensifies, advertising and promotions continue to play an important role in shaping the economic future of America's corporations.

The nation's fast-food giants—McDonald's, Wendy's and Burger King—are leading the way in their resurrected Battle of the Burgers comparative advertising war. If, as Marshall McLuhan said, "the media is the message," the Big Three are certainly getting their message across.

A look at television advertising spending by the front-running fast-food companies bears out the reliance on bringing the message to the people through the mass media.

Network and spot television advertising by sit-down restaurants and fast-food chains increased 34% in the first nine months of 1984, according to the Television Bureau of Advertising.

As usual, in 1984 McDonald's again led the list of food-service advertisers, with a 37% increase over the first three-quarters of the year and a total TV investment of $188 million. McDonald's network television spending accounted for $122 million.

Burger King finished second, spending $99 million, up 72%, and Wendy's was third at $55 million, also up 72%.

'The Battle of the Burgers will probably exist in some form as long as Burger King flame-broils its hamburgers and McDonald's fries its hamburgers.'

Of the 25 advertisers in the fast-food category, the highest percentage gains were scored by Burger King and Wendy's, both up 72%; Taco Bell, up 51%, to $21,650,000, and Hardee's, up 47%, to $18,745,000.

Second-and third-tier chains and independents, most of which can't afford to budget the same dollars toward national advertising that McDonald's, Burger King and Wendy's do, will continue to allocate money for advertising locally and in regional spot markets. But low-cost promotions and merchandising tie-ins are still the most popular forms of regional merchandising.

Couponing, which was prevalent among restaurants during the last recession, is back again. Food-service operators are offering bounce-back coupons, discounts and other price promotion premiums as incentives to lure regular and potential new customers.

A significant part of the renewed Battle of the Burgers campaign involves redemption coupons for the various hamburgers and cheeseburgers offered by McDonald's, Wendy's and Burger King.

"You'll Never Have to Eat a Fried Quarter Pounder Again," proclaims Burger King in its current crop of TV and radio commercials and print ads. The line refers to Burger King's contention that while it flame-broils its hamburgers, McDonald's fries its hamburgers. This difference of opinion was also at the heart of the first Battle of the Burgers ad campaign a couple of years ago.

"The Battle of the Burgers will probably exist in some form as long as Burger King flame-broils its hamburgers and McDonald's fries its hamburgers," said a fast-food industry observer.

The so-called Chicken Wars have also begun heating up in the print and television. Now that McDonald's, Burger King and Wendy's all offer chicken filet products, look for the increasing competition to generate additional spot and national television commercials, print ads, coupons, giveaways and myriad tie-in promotions.

Also expect the Chicken Wars to fuel more of the humorous commercial techniques and themes that fast-food TV advertising has become known for. Wendy's has already followed its legendary "Where's the Beef?" campaign with "Parts Is Parts," a surreally funny commercial in support of its chicken filet sandwich. The spot, like most of the "Where's the Beef?" spots, was directed by that master of bizarre commercial comedy Joe Sedelmaier.

The crowded pizza chain marketplace should also remain the scene of dynamic advertising. Nearly every day a new pizza topping or filling is introduced, and each new item needs paid advertising to support it.

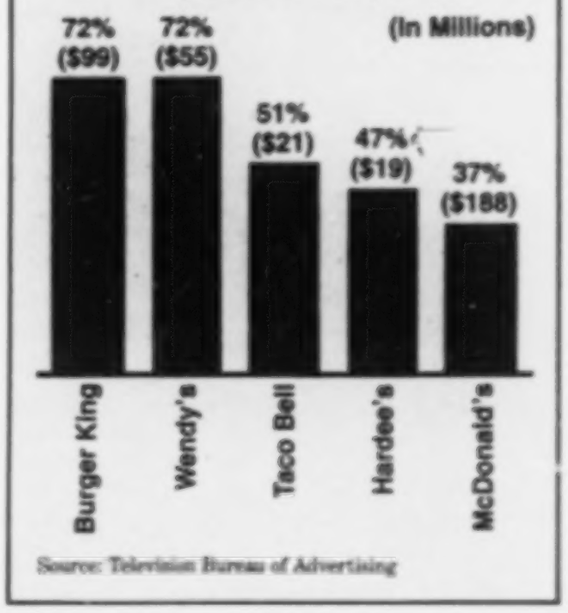
Advertising cooperatives will probably grow in popularity as a means of bringing food-service messages to the public. Parent companies across the country are subsidizing their franchisee groups to offset the cost of advertising in spot and regional markets. Many, like the Bonanza family steakhouse chain, kick in 4% of sales for every 2% contributed by franchisees participating national creative groups and advertising production funds.

Corporate sponsorships of community events will also remain as a popular low cost mode of promoting and advertising in the food-service industry. Well-known athletes and other celebrities, familiar melodies and lyrics and clever jingles will continue to be incorporated into restaurant-related commercials.

But, when all is said and done, word of mouth will probably always be the most highly prized and effective kind of advertising and the most difficult to attain. Yet large and small independents, as well as chains, will keep on chasing that elusive goal.

TV AD SPENDING RISES

(% increase and total TV ad spending, 1st three quarters of 1984 vs. same period in 1983)



Source: Television Bureau of Advertising

RESTAURANT NEWS QUIZ

A $25 prize will be awarded to a reader who correctly answers all 10 questions in this week's Restaurant News Quiz. The prize winner will be selected in a drawing from all entries with the correct answers. To enter, clip the quiz and check the correct answers, or write the correct answers for each question on a separate piece of paper, and mail to: News Quiz, *Nation's Restaurant News*, 425 Park Ave., New York, N.Y. 10022. Please be sure to include your name and address.

1. Foreign tourist arrivals in the United States are off—way off, according to U.S. Travel and Tourism Administration figures. How off is way off?
a) Between 20% and 30%.
b) Between 31% and 40%.
c) Between 41% and 50%.
d) Between 51% and 60%.

2. Noriaki Fujita, owner of several Seryna restaurants in Tokyo as well as one in New York, has come up with a unique broiling technique, which he offers at two of his restaurants. What does he use in broiling?
a) Crab shells.
b) Stones.
c) Oak.
d) Bamboo.

3. New York's Gotham Bar and Grill features many interesting menu items, not the least of which is "Sauté of angel wings." What exactly are they?
a) Jellyfish.
b) Angelfish.
c) Crepe.
d) Skate.

4. "Prices aren't out of line," said one importer recently. "At today's quote of $1.05 a pound, there doesn't seem to be any panic out there. Sure, there's some quoting as high as $1.10, but there are always people putting up prices to test the market." What was he talking about?
a) Lobster tails.
b) Pork loins.
c) Cod.
d) Scrod.

5. Financial editor Rick Telberg, in his Forecast & Trends cover story, found that many restaurant operators predict 1985 will start slow and finish:
a) "Even slower."
b) "About the same."
c) "With a bang."
d) "In a full-fledged recession."

6. Insiders predict that, provided Mother Nature doesn't throw farmers any curves in 1985, food prices are most likely to:
a) Rise no higher than the inflation rate.
b) Rise, but less than the inflation rate.
c) Stay right where they are.
d) Rise less than 0.4% per quarter.

7. Le Cirque owner Sirio Maccioni commented recently, "I'd like to see them [the U.S. Treasury Department] take me out to dinner for even double the amount they intend to allow for business meals." How much would that tab come to?
a) $50.
b) $80.
c) $100.
d) $104.

8. Effective in mid-January, Michigan bars and restaurants will no longer be allowed to sell:
a) "Two-fers."
b) Alcohol to anyone under 16 years of age.
c) More than four drinks to any single customer.

9. Only one unit in the 30-year-old, 30-unit Jerry's Sub Shop chain does this. In the last year it claims to have made $75,000 doing it. Other units may soon start doing it also. What is it they're doing?
a) Offering make-it-yourself pizzas.
b) Offering home delivery.
c) Offering free toy submarines.
d) Servicing a nearby Army base.

10. Yet another city is considering legalizing casino gambling. Which is it this time?
a) St. Louis.
b) San Diego.
c) Columbus, Ohio.
d) New Orleans.

SMITH

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able Chart House dinnerhouse division, was named president and chief operating officer of Diversifoods.

Everett Jefferson, who was president and chief operating officer of Godfather's, was named chief executive officer of the division. Creed was elected to the board to replace Smith, but no one was named to fill Boppell's seat.

Despite these moves, the beleaguered company faces many troubling questions about its future. Will other executives be fired? Will fractured relations with franchisees be mended? Will weak operations like the Luther's barbecue and Moxie's gourmet hamburger chains be discontinued? And will Diversifoods be taken over by another company?

The board created an office of the chief executive, occupied by three men who were at Chart House before it merged with Godfather's to form Diversifoods: Creed, chairman William E. Trotter II and senior vice president and chief financial and administrative officer W. David Hanks. And, because of an anticipated sharp drop in fourth-quarter net profit, the board voted not to declare a dividend for the period.

Most observers saw the new executive lineup as temporary. Several saw Creed emerging as the single successor to Smith if the company remained independent.

Some analysts predicted Smith's departure after the failure of his bid to take the company private in a $525-million leveraged buyout. Early reports of a fourth-quarter profit decline or possible loss made it impossible for Smith and other top managers to secure financing for the buyout.

Meanwhile franchisees and some investors are angry and confused over the company's fall from grace. One Godfather's franchisee is reportedly not paying franchise fees to the parent while at least one other is trying to sell all his stores.

A shareholder who is close to the company's management and did not want to be identified said Trotter and the board had "a lot of explaining to do to stockholders" about why the value of their shares had plummeted from a high of $19 last year to a low of about $8. The day after Smith resigned, the stock was down about 50¢, to $9.

Dissension on the board led to two resignations last year, both reportedly after growing tensions with Smith: William Hyde, who was president of the Burger King division, and William Theisen, founder of Godfather's and vice chairman of the board. Theisen's resignation was surprisingly bitter. He complained that he had been kept in the dark about company operations.

CHICKEN

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fering a chicken-related product," Hussung noted.

Most fast feeders, aware of the growing popularity of chicken, began introducing chicken sandwiches and other products several years ago, but it wasn't until McDonald's scored its phenomenal success with McNuggets that the larger chicken chains reacted to the outside competition.

Kentucky Fried Chicken, Church's and Bojangles' began rolling out chicken nuggets of their own in the second half of 1984. Barry Florescue, chairman and chief executive of Horn & Hardart, Bojangles' parent, called his chain's nuggets "a defensive product."

Meanwhile, as nonchicken chains began seriously grabbing for a share of the fast-food chicken market with such products as Chili's chicken sandwich, Carl's Jr.'s charbroiled chicken platter, Roy Rogers' line of fried chicken and Chi-Chi's marinated and grilled chicken, a curious anomaly is taking shape.

The established Big Three chicken chains—KFC, Church's and Popeyes—are enjoying increased sales, but the new wave fast-food chicken chains, many of them "upscale," have failed to crest, as many in the industry expected several years ago. Some examples:

- Bojangles', while enjoying high unit sales of more than $900,000, is 75 to 100 units behind its original expansion schedule, having just opened its 300th unit. (Unit sales include breakfast, which accounts for 25% to 40% of total sales.)
- Wendy's is way behind schedule with the development of its 70-unit Sisters Chicken & Biscuits chain. There were to have been 120 or more Sisters in operation by the end of 1984.
- Mrs. Winners Chicken & Biscuits unit volumes dropped more than 10% in the July-September period, and profits for Winners Corp. slipped 73% compared with the year-earlier period. Sales continued soft through the fall.
- Grandy's, the "upscale" chain acquired in 1983 by giant Saga Corp., still has fewer than 100 units.
- El Pollo Loco, the 20-unit chain specializing in marinated and grilled chicken that Denny's acquired more than a year ago, is being developed more slowly than expected. Several chains with similar cooking methods—including Chirping Chicken in New York, El Pollo Asado in Phoenix and Marco Pollo in Cincinnati—have appeared but have had little impact as yet.

At the same time, however, as away-from-home chicken consumption soars, established, no-frills chicken chains, which many thought would be particularly vulnerable to the challenge of the newcomers, have held their own quite nicely.

KFC, the segment leader with a 50%-plus share, reports that sales were up about 2% in the last few months and systemwide unit volumes reached the $500,000 mark for the first time in 1984. And Collins Foods, KFC's biggest franchisee, says that nuggets are capturing 17% of sales in some markets. Collins' unit volumes are up 28% at KFC units remodeled last year.

Church's, which surprised the industry by rolling out Crispy Nuggets in a switch from a longstanding policy of avoiding new menu items, is moving toward a turnaround after several tough years. Real sales (total sales minus menu price hikes) rose about 7% in October, 13% in November and 10% in December.

Popeyes, the third-largest fast-food chicken chain, with more than 455 units, is enjoying average volumes of $750,000 without breakfast in a majority of its restaurants. Popeyes has not yet joined the nuggets mania.

Several of the newer chains that are experiencing slower growth and/or softer sales than anticipated are facing numerous challenges. Some have been unable to repeat earlier regional successes as they move into new markets. Others apparently underestimated the strength of established chains.

Despite isolated problems in the segment, the future seems bright for restaurants marketing chicken.

The Commerce Department also estimates that fast-food chicken restaurant sales rose 23.5% to $4.4 billion in 1984 following a 21% rise to $3.6 billion in 1983. It estimated there were 9,500 fast-food chicken restaurants in the United States at the end of the year, an 11% increase from 1983.

WENDY'S

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Breakfast items include omelet platters, priced at $1.79; home fries, 45¢; French toast, 99¢, and a breakfast sandwich of eggs and cheese on toast for 99¢. A breakfast buffet is available for $3.49 for adults and $1.79 for children.

A "gourmet" burger the company recently tested was not so successful, a spokesman said. In response to the large burgers with fancy toppings being popularized by such chains as Flakey Jake's, Fuddruckers and Chili's, Wendy's has tested its own version in Delaware.

Available with different buns and toppings—including guacamole, mushrooms and blue cheese—the burgers fared well, according to the spokesman, yet were dropped because they did not pull in incremental sales.

"We didn't get new business out of them," said the spokesman, noting that Wendy's regular menu already lists what can be considered a "gourmet" burger—the double cheeseburger with optional toppings.

Nonburger test items that company officials say they hope will attract new business—and that would increase the average Wendy's check of $2.50—are Parmigiana chicken, at $3.39; country beef and gravy, $3.49; chopped beef, $3.59, and baked cod almondine, $3.49. The entrées, which include salad and a baked potato with chives and sour cream, have been in test in the Columbus and Cincinnati areas for about two years.

Also being tested in the Columbus area are hotdogs. The four varieties are a regular hotdog, for 89¢; a cheese dog, $1.09; chili and cheese dog, $1.39, and chili dog, $1.19.

Other test menu items are a tuna salad sandwich on a wheat bun, for $1.49, and soups, selling for 95¢ a cup or $1.49 a bowl. Among those being tested are New England clam chowder, cheesy cauliflower and chicken noodle.

The Sisters breakfast menu—which consists of biscuits served with scrambled eggs, sausage, bacon and/or hash browns—generates 12% to 15% of sales, which were $950,000 in 1983.

AMFAC

(Continued from page 2)

geles, Minneapolis, Dallas/Fort Worth and Albuquerque.

"We already have a lot of interested buyers," Carrel said. "We could sell them one by one, or as a group."

She declined to say who the interested parties are, or what the hotels are selling for.

Though Amfac will continue to operate the Adolphus Hotel in Dallas, it will seek no further management contracts for mainland hotels or resorts, Carrel said.

The shift in strategy has prompted Ronald C. Barr to resign as executive vice president and chairman of Amfac's Hotels & Resorts Group. "Mr. Barr is fully supportive of our reorganization, but it is not in accord with his long-range personal objectives," Du Bain said.

Replacing Barr as Hotels & Resorts chairman is Ronald R. Sloan, Amfac executive vice president and chief administrative officer.

Amfac's exit from the business hotel market is part of a restructuring program designed to bolster its bottom line. The diversified company recently announced that it will suspend common stock dividend payments as of Jan. 18 until the plan returns it to "sustained profitability."

The Hotel & Resorts Group generated $243 million of Amfac's $2.5 billion in revenues for 1983. The company reported a net loss of $68 million for that year.

WAR

(Continued from page 2)

again." In those ads Burger King is positioning its own double burgers against McDonald's Quarter-Pounder.

Wendy's meanwhile is about to launch a network TV ad campaign showing a Wendy's truck honking a Ronald McDonald lookalike and a Burger King counter girl lookalike off the road.

McDonald's denies that its current discounting is a reaction to Burger King's attack on the Quarter-Pounder. "We don't need to be responding to Brand X," said McDonald's Terri Capatosto in reply to a question whether the chain's 99¢ promo was a result of Burger King's "challenge" to the Quarter-Pounder. "McDonald's activities do not come as a result of our competitor's activities."

"You'll never have to eat a fried quarter-pounder again," Burger King's John Weir said simply. "I think the tag line speaks for itself."

But was it a challenge to McDonald's' Quarter-Pounder?

"Yeah. I think that's an accurate thing. It's obvious we started doing something with that segment of the market. It does appear that [McD's promotions] might be a response."

A year ago the two segment leaders squared off in a no-holds-barred 39¢ hamburger price war. Customers lined the streets outside their restaurants, eager to take advantage while the burger behemoths did battle. Executives of the respective chains scoffed at the idea of a war, but the lines continued to grow while the offers stretched into their seventh and eighth weeks. "It's certainly not a price war," said one Burger King executive at the time, "nor do we intend to get involved in one."

As observers noted then Wendy's all but sat back and gloated as the two front-runners slugged it out. This year once again it appears that the 2,700-plus-unit burger chain is standing apart from the hustle and bustle—but not too far apart. When asked whether he saw a price war developing in 1985, marketing chief Ley said, "Who knows? You got a crystal ball? It all depends on the state of business."

Wendy's spokesman Denny Lynch acknowledged that his company's imminent "Potatothon" promotion is aimed at driving home to consumers the fact that "Wendy's has baked potatoes, but McDonald's and Burger King don't."

In Wendy's commercial, the young girl tells the clown as they walk along the roadside, "There they [Wendy's] go again. I heard Wendy's sold millions of stuffed baked potatoes last year. Boy, do I feel like a clown!" To which the clown replies, "How do you think I feel?"

"Burger King and McDonald's discounted small burgers last year," Lynch noted. "We don't have a small burger. So we weren't involved." What Wendy's *was* involved in, though, was its record-setting "Where's the Beef?" campaign, which did directly challenge its competitors

NRN Index falls after three weekly gains in end of '84

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tors but also lodging companies and others. Forty-three were down, 40 were up, and 21 were unchanged.

Volume in the holiday-shortened week was considerably lighter than normal, with 74 trading slower than their 12-week averages.

Winning stocks were led by Good Taco, up 19¢ to 50¢. The company has shut down operations.

Kelly-Johnston gained 50¢, to close at $1.88. Victoria Station was up 63¢, to $3, after disclosing a refinancing plan.

Nathan's, which led the volume trends list with trading 221% heavier than normal, added 50¢, to close at $2.50. Mr. Steak rose 38¢, up $1.88.

Losers were led by Calibre Corp., a multiconcept franchisee, which sank 25¢, to $1.75, a 52-week low.

Fuddruckers lost $1.25, closing at $8.88 after hitting an intraweek 52-week low of $8.63.

Rax Restaurants was down $1, to $9.75. Transworld sank $2.50, to $28.63.

Western Steer hit a 52-week low of $9 after losing 75¢.

Diversifoods, which ousted its president during the week, lost 63¢, to finish at $9.

Denny's, which plans a $43-per-share buyout, gained 13¢ in arbitraging, to close at $42.13.

VOLUME TREND LEADERS

Company Name	Volume Trend Change %	Company Name	Volume Trend Change %
Nathans	221.0	Fresher Cooker	62.8
USACafes	169.7	Fuddruckers Inc	62.6
Cucos Inc	113.5	Maverick Rest	59.7
Old Fashion Fd	109.3	Sandwich Chef	53.2
Nankin Express	77.5	Garcias Scot	53.1

TOP TEN GAINERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
Good Taco	60.0	Maverick Rest	15.8
Kelly-Johnston	36.4	Beefsteak Char	14.3
Victoria Station	26.3	Garcias Scot	13.3
Nathans	25.0	Esteban Foods	11.1
Mr Steak	25.0	Restaurant Sys	10.6

TOP TEN LOSERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
Calibre Cp	- 12.5	Ramada Inns	- 6.5
Fuddruckers Inc	- 12.3	Diversifoods	- 6.5
Rax Restaurants	- 9.3	Fast Food Oper	- 6.3
Transworld	- 8.0	Vicorp Restaurants	- 5.6
Wstn Steer	- 7.7	Old Fashion Fd	- 5.3

	Stock Market											Financial Update																	
		Price						Volume										Latest Quarter						Year-to-Date					
	1-04-85	Weekly Change		Weekly Range		52-Week Range		Weekly Shares Traded		12-Week Avg. Vol.	Volume Trend	P/E	Indicated Divd. Rate		Latest Report			Revenue		Net Income		E.P.S.		Revenue		Net Income		E.P.S.	
Company and Market	Close	Amt.	Pct.	High	Low	High	Low	Total	% Out	As % Out	Change	Ratio	Amt.	Yld.	New Report	Period	Date Ended	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																													
A&M Food Svcs ..... O	4.00	.25	6.7	4.25	3.75	8.75	3.50	166	.47	.37	27.0	11.4	.00	.0	....	9 mos.	09-84	8.1	26.6	.4	.0	.11	- 26.7	22.1	28.5	1.1	22.2	.30	- 14.3
Acapulco Rest ..... O	3.88	.00	.0	4.00	3.88	6.00	3.50	158	.64	.64	.0	15.5	.00	.0	....	fiscal	10-84	10.3	5.1	.3	NE	.11	NE	38.6	1.8	.6	NE	.25	NE
Amer Rest ..... O	2.88	.00	.0	3.13	2.88	6.00	2.38	109	.48	1.09	- 56.0	15.1	.00	.0	....	9 mos.	10-84	4.6	21.1	.1	.0	.02	- 71.4	13.6	20.4	.3	.0	.12	- 40.0
Assoc Hosts ..... M	14.13	.88	6.6	14.50	13.50	17.13	10.50	903	2.04	3.42	- 40.4	16.6	.12	.8	....	fiscal	09-84	23.3	.9	.8	- 11.1	.19	- 9.5	94.4	6.9	3.8	18.8	.85	18.1
Beefsteak Char ..... A	2.00	.25	14.3	2.00	1.75	4.75	1.75	462	.82	.85	- 3.5	1.5	.00	.0	....	9 mos.	07-84	19.9	- 12.3	(.4)	NC	.07	600.0	68.7	- 6.4	(1.7)	- 100.0	.30	3.4
Bob Evans Farms ..... M	18.00	.00	.0	18.25	17.75	23.75	14.75	729	.45	.58	- 22.4	17.5	.30	1.7	....	6 mos.	10-84	58.1	12.6	4.6	9.5	.28	12.0	112.1	13.3	9.0	8.4	.55	10.0
Calibre Cp ..... O	1.75	- .25	- 12.5	2.25	1.75	9.00	1.75	76	.25	.32	- 21.9	NE	.00	.0	....	fiscal	07-84	1.1	- 31.3	(.6)	NC	(.20)	- 100.0	11.5	82.5	(1.5)	- 100.0	(.51)	- 100.0
Calny Food ..... M	8.50	- .38	- 4.2	8.75	8.25	10.75	7.25	551	1.21	1.87	- 35.3	13.5	.16	1.9	NEW	9 mos.	11-84	13.6	24.8	.9	80.0	.19	46.2	38.6	18.0	2.3	53.3	.50	28.2
Capt Crab ..... M	1.50	.13	9.1	1.50	1.38	6.13	1.38	1,229	1.08	1.48	- 27.0	NE	.00	.0	....	9 mos.	05-84	2.6	550.0	(.5)	NC	(.04)	NC	3.7	208.3	(.6)	NC	(.05)	NC
Carrols Cp ..... N	8.63	.00	.0	8.88	8.38	10.38	7.13	269	.35	.55	- 36.4	13.1	.07	.8	....	3 mos.	06-84	38.3	19.3	2.1	16.7	.28	- 6.7	38.3	19.3	2.1	16.7	.28	- 6.7
Chi-Chi's ..... M	12.88	.25	2.0	12.88	12.25	24.88	10.00	4,947	1.84	3.97	- 53.7	19.2	.00	.0	....	6 mos.	10-84	52.3	40.6	4.5	2.3	.16	- 15.8	97.5	34.1	9.5	18.8	.35	2.9
Chilis Inc ..... O	20.88	- .38	- 1.8	21.25	20.88	24.25	12.75	333	.74	4.18	- 82.3	35.4	.00	.0	....	3 mos.	09-84	15.0	47.1	.9	125.0	.21	75.0	15.0	47.1	.9	125.0	.21	75.0
Churchs Fr Ch ..... N	30.00	.00	.0	30.38	29.63	30.50	21.25	1,485	.79	1.68	- 53.0	15.6	.80	2.7	....	9 mos.	09-84	124.8	13.0	10.4	- 2.8	.55	- 1.8	355.5	17.4	28.1	19.6	1.49	21.1
Collins Foods ..... N	14.63	- .63	- 4.1	15.38	14.38	16.94	9.91	368	.42	1.42	- 70.4	11.4	.16	1.1	....	6 mos.	10-84	114.8	16.5	5.1	15.9	.39	14.7	229.9	20.3	9.9	19.3	.75	15.4
Concept Dev ..... O	7.25	- .25	- 3.3	7.50	7.25	17.69	5.75	165	.32	1.42	- 77.5	13.9	.00a	.0	....	3 mos.	09-84	10.9	19.8	.0	- 100.0	.00	- 100.0	10.9	19.8	.0	- 100.0	.00	- 100.0
Consol Frdts ..... M	5.25	.13	2.4	5.38	5.00	9.25	4.75	151	.43	.44	- 2.3	15.0	.00	.0	....	fiscal	09-84	17.3	14.6	.6	20.0	.16	45.5	68.7	8.4	1.3	.0	.35	20.7
Consul Restaurant ..... M	5.75	- .13	- 2.1	6.00	5.50	14.88	4.50	911	2.02	2.54	- 20.5	95.8	.00	.0	....	6 mos.	11-84	20.9	32.3	(.4)	- 100.0	(.11)	- 100.0	42.0	32.9	(.4)	- 100.0	(.10)	- 100.0
Cracker Barrel ..... M	14.00	- .50	- 3.4	14.50	14.00	23.50	11.75	247	.69	2.03	- 66.0	14.9	.14	1.0	....	3 mos.	10-84	16.6	18.6	.8	.0	.26	- 13.3	16.6	18.6	.8	.0	.26	- 13.3
Cucos Inc ..... O	3.00	.00	.0	3.75	3.00	5.00	2.75	125	1.11	.52	113.5	15.8	.00	.0	....	9 mos.	03-84	.7	NC	.1	NC	.03	NC	2.1	NC	.1	NC	.10	NC
Denny's Inc ..... N	42.13	.13	.3	42.13	41.88	42.25	30.25	1,568	1.01	3.90	- 74.1	15.8	.72	1.7	....	3 mos.	09-84	326.4	1.9	12.1	- 12.3	.75	- 11.8	326.4	1.9	12.1	- 12.3	.75	- 11.8
Diversifoods ..... M	9.00	- .63	- 6.5	9.75	8.88	19.00	8.00	18,375	5.48	9.63	- 43.1	9.9	.26	2.9	....	9 mos.	09-84	148.8	16.0	7.0	- 26.3	.21	- 25.0	420.7	17.1	22.2	- 9.8	.66	- 10.8
DLites Of Amer ..... O	12.75	.00	.0	13.00	12.75	14.50	11.50	804	1.65	2.35	- 29.8	NM	.00	.0	....	6 mos.	09-84	2.3	53.3	.1	.0	.04	100.0	4.7	62.1	.1	.0	.05	25.0
Dunkin Donuts ..... M	23.13	- .38	- 1.6	23.50	23.00	26.25	18.13	354	.75	1.02	- 26.5	12.4	.32	1.4	....	fiscal	10-84	23.9	18.3	2.1	10.5	.43	16.2	90.3	16.5	9.1	15.2	1.87	15.4
El Chico ..... M	7.63	- .13	- 1.6	7.88	7.38	14.75	7.63	140	.30	1.16	- 74.1	9.7	.00	.0	....	6 mos.	11-84	20.1	4.7	.9	.0	.19	- 5.0	41.2	7.3	1.8	.0	.39	- 2.5
El Torito Rest ..... N	11.25	.25	2.3	11.38	10.75	14.63	9.00	267	.24	.31	- 22.6	12.2	.00	.0	....	9 mos.	09-84	65.9	17.3	4.1	17.1	.35	25.0	189.0	20.5	9.0	32.4	.78	44.4
Fast Food Oper ..... O	.94	- .06	- 6.3	1.06	0.94	2.25	.69	441	.75	1.37	- 45.3	15.6	.00	.0		fiscal	12-83	1.6	33.3	.1	.0	.02	.0	6.1	32.6	.3	.0	.06	20.0
Flakey Jakes ..... M	6.38	- .25	- 3.8	6.50	6.13	9.13	4.25	688	.99	1.62	- 38.9	NE	.00	.0	....	9 mos.	09-84	3.3	371.4	(.3)	NE	(.05)	NE	6.6	340.0	(.7)	NE	(.11)	NE
Fresher Cooker ..... O	4.75	- .25	- 5.0	5.00	4.75	6.75	4.75	119	.70	.43	62.8	NE	.00	.0	....	fiscal	12-83	NC	NC	NC	NC	NC	NC	2.4	- 4.0	(.9)	NE	(.54)	NE
Frisch's ..... A	15.63	.13	.8	15.75	15.25	16.38	12.00	51	.12	.14	- 14.3	14.3	.22	1.4		3 mos.	08-84	40.5	7.4	1.7	.0	.38	- 5.0	40.5	7.4	1.7	.0	.38	- 5.0
Fuddruckers Inc ..... M	8.88	- 1.25	- 12.3	10.00	8.63	17.00	8.63	2,063	3.17	1.95	62.6	NM	.00	.0	....	9 mos.	09-84	7.2	NC	.6	NC	.09	NC	16.9	172.6	.0	- 100.0	.00	- 100.0
Garcias Scot ..... M	2.13	.25	13.3	2.13	1.63	8.25	1.63	2,054	3.43	2.24	53.1	NE	.00	.0	....	9 mos.	09-84	12.3	39.8	(.5)	NE	(.08)	NE	42.0	51.6	(.5)	NE	(.08)	NE
Good Taco ..... M	.50	.19	60.0	0.50	0.31	7.00	.25	1,043	3.52	2.55	38.0	NE	.00	.0	....	6 mos.	08-84	.4	100.0	(.3)	NE	(.11)	NE	.8	166.7	(.6)	NE	(.24)	NE
Hambrg Hamlet ..... O	12.75	.25	2.0	13.25	12.50	12.75	9.75	10	.14	.15	- 6.7	11.0	.00	.0	....	fiscal	03-84	9.3	2.2	.2	NE	.30	NE	35.5	4.4	.8	NE	1.16	NE
Hungry Tiger ..... M	4.13	- .13	- 2.9	4.38	4.00	9.00	3.63	382	1.35	1.26	7.1	22.9	.00	.0	....	fiscal	08-84	14.9	- 11.8	(.2)	NE	(.05)	NE	67.3	5.5	.5	NC	.18	NC
Intl Dairy Queen ..... O	40.50	.00	.0	41.50	40.50	41.00	32.50	36	.18	.12	50.0	11.7	.00	.0	....	9 mos.	08-84	10.8	8.2	(26.5)	- 100.0	1.61	15.8	106.5	14.3	6.7	8.1	3.03	20.2
Intl King Tab ..... M	16.50	.25	1.5	16.75	16.25	17.94	11.38	328	1.15	1.52	- 24.3	12.3	.00a	.0	....	3 mos.	09-84	19.2	6.7	1.1	37.5	.36	24.1	19.2	6.7	1.1	37.5	.36	24.1
JB's Rest ..... M	14.13	- .38	- 2.6	14.50	14.00	16.25	10.38	161	.71	1.29	- 45.0	11.6	.20	1.4	....	fiscal	09-84	19.6	43.1	1.0	42.9	.42	35.5	68.3	28.1	2.9	31.8	1.22	22.0
Jerrico Inc ..... M	16.75	- .25	- 1.5	17.00	16.75	18.50	11.88	1,821	1.16	4.05	- 71.4	12.9	.12	.7	....	3 mos.	09-84	131.9	7.6	6.3	6.8	.39	5.4	131.9	7.6	6.3	6.8	.39	5.4
Kapok Cp ..... A	2.88	.13	4.5	2.88	2.50	5.63	1.13	82	.37	2.86	- 87.1	NE	.00	.0	....	fiscal	09-83	3.1	72.2	(4.6)	NE	(.33)	NE	12.3	7.9	(2.7)	NE	(1.29)	NE
Karcher Carl ..... M	14.13	- .25	- 1.7	14.75	13.88	31.75	13.88	775	1.10	3.06	- 64.1	8.7	.00	.0	....	6 mos.	07-84	80.7	17.1	3.3	- 2.9	.50	8.7	178.8	19.5	6.9	3.0	.98	7.7
Kelly-Johnston ..... M	1.88	.50	36.4	1.88	1.38	14.25	.75	4,328	5.07	5.46	- 7.1	NE	.00	.0	....	3 mos.	06-84	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0
Luby's Cafe ..... N	27.00	.00	.0	27.25	26.88	32.00	23.63	223	.18	.45	- 60.0	18.9	.54	2.0	....	fiscal	08-84	48.7	32.7	5.0	28.2	.41	28.1	174.9	23.7	17.4	25.2	1.43	24.3
Marcus Corp ..... M	14.25	.25	1.8	14.25	14.00	15.25	11.38	131	.26	.21	23.8	9.8	.28	2.0	....	3 mos.	08-84	33.5	2.8	2.8	3.7	.55	1.9	33.5	2.8	2.8	3.7	.55	1.9
Marriott Corp ..... N	73.50	.00	.0	75.88	73.50	80.25	58.50	1,521	.59	.65	- 9.2	16.3	.54	.7	....	9 mos.	09-84	834.2	11.7	35.6	- 2.7	1.33	.8	2402.7	15.1	92.6	10.0	3.41	12.2
Maverick Rest ..... O	2.75	.38	15.8	2.88	2.75	7.00	2.25	492	.99	.62	59.7	21.2	.00	.0	....	9 mos.	10-84	3.0	NC	.1	NC	.03	NC	8.3	NC	.6	NC	.13	NC
McDonald's Cp ..... N	52.00	- 1.25	- 2.3	53.50	51.13	55.88	40.84	7,429	.84	1.11	- 24.3	12.2	.82	1.6	....	9 mos.	09-84	944.7	8.3	114.3	13.6	1.29	14.2	2555.0	12.1	297.9	13.4	3.36	14.7
Morrison Inc ..... M	16.75	- .50	- 2.9	16.88	16.50	19.00	13.13	957	.70	1.08	- 35.2	10.9	.48	2.9	....	3 mos.	08-84	117.9	5.6	4.9	11.4	.36	16.1	117.9	5.6	4.9	11.4	.36	16.1
Mr Steak ..... O	1.88	.38	25.0	2.00	1.50	3.34	1.13	492	1.03	1.03	.0	NE	.00	.0	....	9 mos.	06-84	17.1	2.4	(.5)	- 100.0	(.12)	- 100.0	49.8	12.2	(.5)	- 100.0	(.11)	- 100.0
Nankin Express ..... O	1.25	.00	.0	1.38	1.25	3.50	1.25	318	1.42	.80	77.5	NE	.00	.0		6 mos.	07-84	.2	100.0	(.2)	NE	(.09)	NE	.4	33.3	(.3)	NE	(.15)	NE
Nathans ..... O	2.50	.50	25.0	2.63	2.25	2.75	1.78	443	1.99	.62	221.0	9.6	.00a	.0	....	3 mos.	06-84	6.1	13.0	.4	100.0	.18	63.6	6.1	13.0	.4	100.0	.18	63.6
Natl Pizza ..... O	7.75	.00	.0	8.50	7.75	9.75	7.50	37	.07	.23	- 69.6	10.2	.00	.0	....	6 mos.	09-84	10.4	8.3	.9	- 18.2	.19	- 17.4	20.5	10.8	2.0	- 9.1	.41	- 6.8
Naugles Inc ..... M	5.63	- .13	- 2.2	5.75	5.63	20.25	5.50	635	1.37	2.65	- 48.3	NE	.00	.0	....	fiscal	06-84	27.2	17.7	.1	- 87.5	.03	- 80.0	114.8	32.4	(5.1)	- 100.0	(1.09)	- 100.0
1 Potato 2 ..... O	2.38	.00	.0	2.63	2.38	12.50	2.38	131	.60	1.30	- 53.8	47.5	.00	.0	....	6 mos.	08-84	3.3	NC	(.6)	NC	(.25)	NC	7.1	NC	(1.0)	NC	(.44)	NC

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

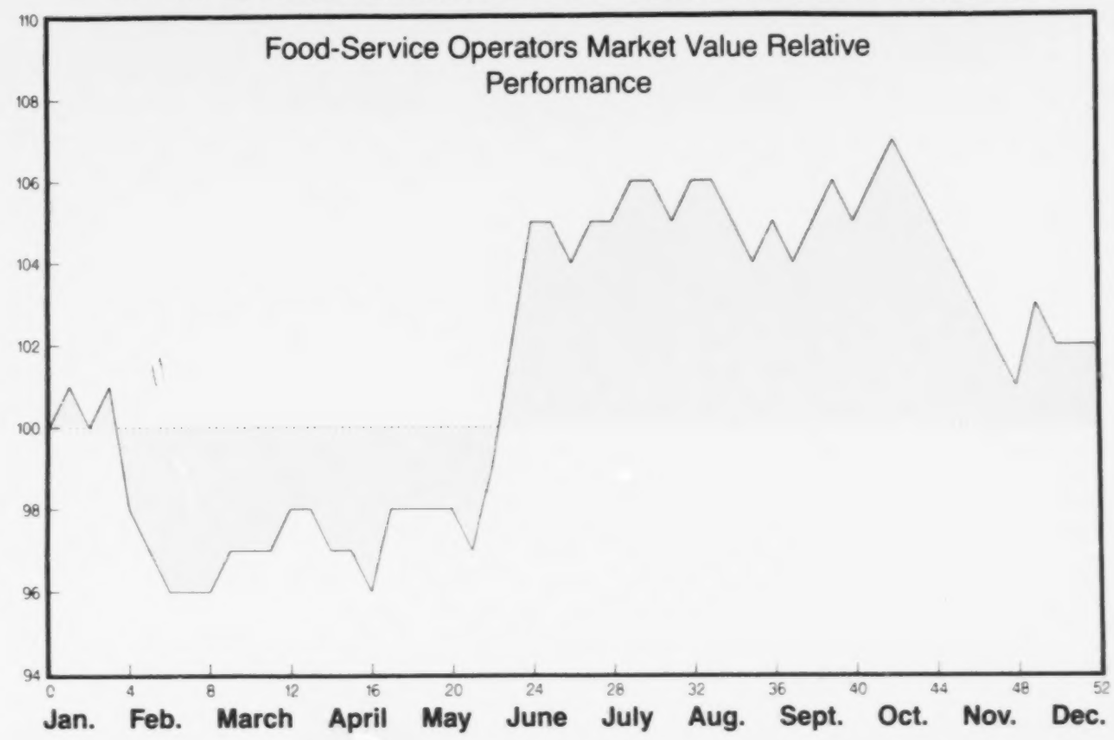
Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

NRN *STOCK INDEX*

Source: Media General Financial Services

NRN *STOCK INDEX VS. DOW JONES INDEX*



Stock Market / Financial Update

Company and Market	1-04-85 Close	Weekly Change Amt.	Weekly Change Pct.	Weekly Range High	Weekly Range Low	52-Week Range High	52-Week Range Low	Volume Weekly Shares Traded Total	Volume Weekly Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Old Fashion Fd ..... O	4.50	- .25	- 5.3	5.25	4.50	7.25	4.50	126	.90	.43	109.3	8.2	.00	.0	.....	3 mos.	08-84	3.3	37.5	.2	.0	.13	- 13.3	3.3	37.5	.2	.0	.13	- 13.3
Pancho Mex Buffet ..... M	7.75	.38	5.1	8.00	7.38	8.00	5.88	101	.36	.74	- 51.4	14.1	.13	1.7	.....	fiscal	09-84	8.8	22.2	.5	.0	.19	11.8	31.6	25.9	1.5	25.0	.55	27.9
Peoples Rest ..... M	.38	.00	.0	0.50	0.38	7.88	.25	3,712	4.32	7.01	- 38.4	NE	.00	.0	.....	fiscal	06-84	NC	NC	(27.6)	- 100.0	(3.30)	- 100.0	30.6	12.1	(29.6)	- 100.0	(3.54)	- 100.0
Piccadilly Caf ..... M	18.13	- .50	- 2.7	18.75	18.13	24.25	14.00	761	1.26	1.07	17.8	11.2	.60	3.3	.....	3 mos.	09-84	46.4	13.7	2.7	92.9	.45	95.7	46.4	13.7	2.7	92.9	.45	95.7
Pizza Inn ..... A	8.25	.63	8.2	8.25	7.50	14.50	6.88	235	.77	1.16	- 33.6	8.0	.08	1.0	.....	9 mos.	09-84	48.6	24.6	.6	- 33.3	.20	- 33.3	135.6	21.7	2.5	- 13.8	.81	- 12.9
Po-Folks ..... M	10.13	.25	2.5	10.13	9.75	16.63	8.75	301	.68	1.05	- 35.2	13.5	.00	.0	.....	fiscal	09-84	31.3	46.9	1.0	150.0	.23	109.1	107.1	53.4	3.3	153.8	.75	102.7
Ponderosa Sys ..... N	13.00	- .63	- 4.6	13.75	13.00	24.88	11.50	1,599	1.67	3.47	- 51.9	7.6	.40	3.1	.....	9 mos.	11-84	122.8	33.8	2.3	109.1	.22	69.2	366.8	32.0	11.5	32.2	1.28	18.5
Primo Inc ..... O	2.63	- .13	- 4.5	2.88	2.50	7.00	2.38	313	1.13	1.60	- 29.4	23.9	.00	.0	.....	6 mos.	03-84	1.0	NC	.1	NC	.03	NC	2.0	NC	.2	NC	.06	NC
Rax Restaurants ..... M	9.75	- 1.00	- 9.3	10.75	9.50	18.75	8.75	1,008	1.59	1.12	42.0	15.0	.00	.0	.....	6 mos.	01-84	21.1	30.2	.6	100.0	.09	28.6	44.2	31.2	2.0	100.0	.32	33.3
Rest Assoc ..... A	5.75	- .13	- 2.1	6.00	5.50	9.50	5.50	135	.48	1.04	- 53.8	8.1	.00	.0	.....	9 mos.	09-84	35.0	- 4.1	.4	- 33.3	.14	- 39.1	97.8	- 7.3	1.0	- 23.1	.35	- 30.0
Restaurant Sys ..... M	13.00	1.25	10.6	13.00	12.00	14.25	9.00	117	.51	.61	- 16.4	15.3	.00	.0	.....	9 mos.	09-84	8.6	17.8	.6	50.0	.25	25.0	27.9	26.2	1.6	60.0	.68	23.6
Ritzys G D ..... M	2.06	.13	6.5	2.06	1.75	9.00	1.75	988	1.91	1.44	32.6	NE	.00	.0		9 mos.	09-84	4.4	83.3	(.5)	NE	(.11)	NE	10.6	103.6	(1.6)	NE	(.31)	NE
Rusty Pelican ..... M	13.38	- .25	- 1.8	13.75	13.25	18.25	11.38	168	.61	2.81	- 78.3	15.7	.00	.0	.....	fiscal	07-84	11.9	101.7	.7	600.0	.32	220.0	36.5	35.7	1.8	100.0	.86	60.4
Ryans Fam Steak ..... O	18.75	.25	1.4	19.00	18.25	23.50	15.50	361	.84	1.92	- 56.3	27.2	.00	.0		9 mos.	09-84	7.8	47.2	.7	40.0	.17	30.8	22.7	66.9	2.3	64.3	.53	47.2
Saga Corp ..... N	32.00	- .38	- 1.2	33.63	32.00	35.50	24.63	1,116	.86	.99	- 13.1	13.0	.44	1.4	.....	3 mos.	09-84	271.6	14.9	5.7	32.6	.42	20.0	271.6	14.9	5.7	32.6	.42	20.0
Sandwich Chef ..... M	8.00	.75	10.3	8.25	7.25	11.75	6.75	156	1.21	.79	53.2	13.8	.00	.0	.....	3 mos.	09-84	6.9	13.1	.2	.0	.16	23.1	6.9	13.1	.2	.0	.16	23.1
Sea Galley ..... M	7.25	- .13	- 1.7	7.50	7.13	11.00	7.13	231	.59	2.40	- 75.4	5.1	.00	.0	.....	9 mos.	09-84	15.7	- 14.2	3.0	900.0	.76	1420.0	48.3	- 11.9	5.3	657.1	1.35	694.1
Shoney's Inc ..... M	31.63	.00	.0	32.13	31.25	35.13	20.00	1,700	.82	.98	- 16.3	22.9	.16	.5	.....	9 mos.	07-84	117.8	24.9	8.2	26.2	.39	25.8	360.0	22.4	21.9	28.1	1.06	24.7
Shoney's South ..... M	13.00	- .13	- 1.0	13.38	13.00	16.59	11.00	506	.90	.61	47.5	11.0	.00	.0	.....	9 mos.	09-84	40.1	14.2	1.8	12.5	.32	18.5	127.3	17.2	5.8	48.7	1.00	23.5
SIS Cp ..... M	4.25	.25	6.3	4.25	4.00	9.00	3.25	172	1.11	.84	32.1	30.4	.00	.0	.....	fiscal	12-83	1.5	114.3	.0	NC	.01	.0	4.5	87.5	.2	NC	.14	1300.0
Sizzler Rest Intl ..... M	15.25	.25	1.7	15.25	15.00	18.75	8.75	107	.16	.44	- 63.6	12.2	.00	.0	.....	3 mos.	07-84	40.0	11.7	2.5	25.0	.37	27.6	40.0	11.7	2.5	25.0	.37	27.6
Skippers ..... M	10.38	.38	3.8	10.38	10.00	11.25	8.00	384	1.41	1.01	39.6	12.7	.06	.6	.....	9 mos.	09-84	14.5	20.8	.5	25.0	.18	20.0	42.3	23.7	1.6	14.3	.60	1.7
So Hospitality ..... M	4.25	.00	.0	4.25	4.00	5.13	3.75	177	.37	1.39	- 73.4	12.5	.00	.0	.....	3 mos.	08-84	10.7	33.8	.4	33.3	.08	14.3	10.7	33.8	.4	33.3	.08	14.3
Taco Viva ..... M	8.25	.25	3.1	8.50	8.00	9.75	7.00	102	.45	.64	- 29.7	19.6	.00	.0	.....	3 mos.	08-84	6.6	94.1	.3	50.0	.14	16.7	6.6	94.1	.3	50.0	.14	16.7
TGI Friday's ..... N	8.63	.38	4.5	9.00	8.25	15.88	7.88	642	.56	.95	- 41.1	14.6	.00	.0	.....	9 mos.	09-84	72.9	15.2	2.2	- 37.1	.13	- 40.9	209.4	20.0	8.7	.0	.48	- 11.1
TGIF Texas ..... O	2.25	.00	.0	2.75	2.25	5.50	2.25	44	.29	.25	16.0	NE	.00	.0	.....	3 mos.	03-84	2.6	NC	(.1)	NC	(.07)	NC	2.6	NC	(.1)	NC	(.07)	NC
Transworld ..... N	28.63	- 2.50	- 8.0	31.13	28.25	33.53	23.63	8,673	3.08	3.05	1.0	4.1	.40	1.4	.....	9 mos.	09-84	511.4	4.2	36.3	64.3	1.12	143.5	1479.1	7.1	85.5	89.6	2.39	NE
USACafes ..... M	3.25	- .13	- 3.7	3.63	3.25	5.00	2.75	455	.89	.33	169.7	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vicorp Restaurants ..... M	14.88	- .88	- 5.6	16.00	14.88	20.75	13.25	1,710	2.57	2.40	7.1	12.5	.12	.8	.....	9 mos.	07-84	67.7	127.9	2.7	68.8	.41	57.7	155.1	167.4	5.8	100.0	.87	64.2
Victoria Stations ..... M	3.00	.63	26.3	3.13	2.38	8.00	2.13	2,323	6.56	6.30	4.1	NE	.00	.0	.....	6 mos.	09-84	22.2	- 3.5	(1.7)	NE	(.47)	NE	45.9	- 3.6	(2.5)	NE	(.70)	NE
Wendys Intl ..... N	16.75	- .25	- 1.5	17.00	16.50	20.50	13.13	6,722	1.23	1.21	1.7	14.0	.28	1.7	.....	9 mos.	09-84	249.0	31.1	18.8	16.8	.34	13.3	694.9	34.1	51.1	26.5	.93	25.7
Wstn Steer ..... O	9.00	.75	- 7.7	10.50	9.00	12.00	9.00	39	.32	.41	- 22.0	9.8	.20	2.2	.....	6 mos.	08-84	10.3	30.4	.1	- 66.7	.07	- 65.0	19.8	26.1	.4	- 20.0	.33	- 23.3
Winners Cp ..... N	6.75	.00	.0	6.88	6.38	15.25	5.13	344	.79	2.39	- 66.9	13.8	.00	.0	.....	9 mos.	09-84	27.3	14.2	.2	- 75.0	.05	- 72.2	79.7	26.5	1.3	- 35.0	.30	- 31.8
Hotels, Motels, and Casinos																													
Am Motor Inns ..... A	21.38	.00	.0	21.38	21.38	21.75	12.50	12	.01	.05	- 80.0	11.8	.16	.7		3 mos.	10-84	54.6	18.2	7.9	46.3	.68	47.8	54.6	18.2	7.9	46.3	.68	47.8
Brock Hotel Cp ..... N	3.38	.25	8.0	3.38	3.00	7.50	2.63	1,812	1.37	1.75	- 21.7	NE	.10	3.0	.....	9 mos.	09-84	60.0	- 26.7	(25.6)	NE	(1.95)	NE	211.0	- 10.6	(29.4)	NE	(2.00)	NE
Hilton Hotels ..... N	56.63	- .63	- 1.1	58.38	56.50	58.38	45.50	1,024	.39	1.02	- 61.8	22.7	1.80	3.2	.....	9 mos.	09-84	205.4	24.4	24.3	- 45.8	.93	- 44.3	504.9	3.1	68.0	- 22.3	2.56	- 21.5
Holiday Inns ..... N	42.88	- .25	- .6	43.88	42.63	51.75	35.25	4,237	1.18	1.44	- 18.1	12.5	.90	2.1	.....	9 mos.	09-84	473.9	6.2	49.7	4.2	1.37	9.6	1328.9	11.5	110.4	1.3	3.00	4.9
Prime Mtr Inn ..... N	25.25	1.00	4.1	25.38	24.50	25.50	16.00	1,119	.77	.55	40.0	21.0	.12	.5	.....	fiscal	06-84	22.1	29.2	4.6	27.8	.32	18.5	72.5	45.0	17.3	36.2	1.20	21.2
Ramada Inns ..... N	5.38	- .38	- 6.5	5.75	5.25	11.00	5.13	4,319	1.16	1.50	- 22.7	17.9	.00	.0	.....	9 mos.	09-84	156.3	- 3.5	6.0	- 65.5	.16	- 67.3	448.0	2.3	6.8	74.4	.18	1700.0
Servico Inc ..... M	16.00	.78	5.1	16.00	15.00	22.28	12.28	23	.07	.45	- 84.4	12.0	.00a	.0	.....	6 mos.	06-84	47.3	21.3	1.9	- 9.5	.55	- 9.8	90.2	24.8	2.8	47.4	.81	44.6
Sonesta Intl ..... O	19.50	.00	.0	21.50	19.50	19.50	17.50	0	.00	.03	-100.0	NE	.40	2.1	.....	6 mos.	06-84	24.0	12.1	2.1	- 4.5	1.38	.7	39.5	9.1	.0	- 100.0	(.03)	- 100.0
Other Companies with Food-Service Operations																													
Allegheny Bev ..... M	16.38	.25	1.6	16.75	16.25	20.00	13.50	695	1.16	1.40	- 17.1	10.8	.80	4.9	.....	9 mos.	09-84	167.3	27.2	2.4	- 11.1	.38	- 9.5	486.1	23.2	7.1	- 12.3	1.10	- 12.0
Ch Full O Nuts ..... N	8.13	.00	.0	8.50	8.00	14.56	7.75	400	.87	.78	11.5	90.3	.48	5.9	.....	fiscal	09-84	30.5	10.1	(.9)	- 100.0	(.19)	- 100.0	117.4	5.2	.4	- 91.1	.09	- 89.7
Disney, Walt ..... N	59.38	- 1.13	- 1.9	60.75	59.25	68.50	45.25	4,416	1.31	1.52	- 12.8	21.7	1.20	2.0	.....	fiscal	09-84	463.2	27.6	12.1	- 50.6	.38	- 45.7	1656.0	26.7	97.8	4.9	2.73	1.1
Esteban Foods ..... O	1.25	.13	11.1	1.38	1.13	4.00	1.13	142	.61	.97	- 37.1	NM	.00	.0	.....	9 mos.	09-84	3.5	34.6	.0	NC	.02	.0	9.8	25.6	(.1)	- 100.0	(.02)	- 100.0
Gen Mills ..... N	49.38	- .63	- 1.3	50.88	49.00	60.00	41.63	2,957	.65	1.08	- 39.8	10.6	2.24	4.5	.....	3 mos.	08-84	1386.4	.6	54.1	- 25.4	1.20	- 21.1	1386.4	.6	54.1	- 25.4	1.20	- 21.1
Horn & Hardart ..... A	10.13	- .13	- 1.2	10.50	10.00	21.19	8.63	1,122	.91	1.60	- 43.1	11.8	.00a	.0	.....	9 mos.	09-84	85.8	6.6	.5	- 87.8	.00	- 100.0	265.9	11.1	6.6	- 27.5	.49	- 31.9
Ogden Corp ..... N	28.13	.13	.4	28.63	27.88	30.25	24.13	762	.40	.77	- 48.1	12.8	1.80b	6.4	.....	9 mos.	09-84	512.8	23.7	8.2	- 44.6	.46	- 38.7	1612.4	28.5	31.4	- 23.0	1.63	- 21.3
PepsiCo Inc ..... N	42.13	.25	.6	43.00	41.88	45.75	34.50	3,832	.41	.96	- 57.3	12.3	1.68	4.0	.....	9 mos.	09-84	1934.3	8.0	108.6	14.2	1.14	14.0	5425.9	13.3	247.6	19.7	2.61	19.2
Pillsbury Co ..... N	43.25	- .13	- .3	44.88	42.88	45.75	33.00	2,236	.52	.65	- 20.0	10.8	1.56	3.6	.....	3 mos.	08-84	1023.5	10.1	38.9	11.8	.90	12.5	1023.5	10.1	38.9	11.8	.90	12.5
Vie de France ..... M	12.00	.13	1.1	12.13	11.75	15.25	10.50	554	.51	.58	- 12.1	20.3	.23	1.9	.....	3 mos.	09-84	14.2	19.3	1.4	16.7	.13	8.3	14.2	19.3	1.4	16.7	.13	8.3

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

SPOTLIGHT ON FINANCE

Inside Denny's leveraged buyout: how it will work

By Rick Telberg

Talk about leverage.

In the leveraged buyout Denny's Inc. management has planned for the La Mirada, Calif., company, insiders may be laying out as little as $1.5 million in cash to buy a chunk of the nation's biggest family restaurant chain, worth about $132 million.

Proxy material sent to shareholders who are expected to approve the $734.2-million proposal at a special meeting next week offers a rare glimpse into the workings of a leveraged buyout.

LBOs, as they are sometimes called, have been criticized for misdirecting the nation's financial assets into paper transactions that simply change ownership instead of being applied to productive uses such as constructing factories and developing new products.

Denny's purchasers, led by Merrill Lynch Capital Markets, are financing $648.2 million in a combination of borrowings and common and preferred stock. The other $104 million is being taken from Denny's own cash hoard.

A consortium of banks led by Morgan Guaranty of New York and Wells Fargo of San Francisco is providing $372.6 million at one point over prime and $118.7 million at 2½ points over prime. Prudential Insurance Co. is lending $60.5 million at 15.5% and $16.4 million at 16.75%.

The consortium including Merrill Lynch is also kicking in $35.6 million for preferred paying 13% dividends and taking 77% of the $44.4 million common stock issue. Denny's profit-sharing plan will invest in 5% of the common.

Denny's 55 top executives, led by president and chief executive Vern Curtis, plan to buy 18% of the company's common stock by investing $8.1 million.

However, roughly $6.6 million of their investment will come from a tax-free swap of existing Denny's stock options and by cashing in accumulated performance bonuses.

Management's $8.1 million may be only 18% of the company's common stock. But 18% represents $132 million of the $734.2 million value of the transaction.

The Denny's deal is structured as a merger in which a Delaware-based holding company named DHI is merging with Denny's so that a stock swap is exempt from taxes. In addition, the deal has certain provisions to soften the tax bite from cashing in bonuses.

John Shad, chairman of the U.S. Securities and Exchange Commission, has warned that LBOs are setting up American industry for a fall.

"The leveraging up of American enterprise will magnify the adverse consequences of the next recession or the next significant rise of interest rates," Shad said.

Others, however, defend LBOs as part of the natural economic order.

Though doubting the wisdom of Denny's plan when it was first announced last May, Andrew Smukler, an analyst at Provident National Bank in Philadelphia, stood firmly behind management's right to attempt it.

"LBOs make private companies out of public companies," Smukler said. "Often private companies can be better run than public ones because they can make short-term sacrifices for long-term gains that public companies cannot."

But the transaction involves a lot of risk, and Denny's appears to be no exception.

Denny's buyers will add more than $520 million to the company's debt load, raising the burden to about $792 million.

But they are also wiping out Denny's equity base, reducing it to about $44 million from $312 million. Denny's debt-to-equity ratio will swing from a balanced 1 to 1 to a lopsided 18 to 1.

Next year's interest payments on the new debt could exceed $72 million, and every one-point tick in interest rates would cost the company about $5 million per year. That would just about wipe out Denny's profits for the next several years. Earnings before interest and taxes in the June-ended fiscal year were about $95 million on revenue of $1.2 billion.

But after writing up and depreciating the company's assets and after deducting interest expenses, the biggest losers could be the tax agents.

* * *

STOCK-PICKERS' PICKS: Michael Culp at Prudential-Bache in New York has raised his sights on Ponderosa Inc. (recent price: $12.50). Culp sees opportunity in the stock's tumble from $25.

"Management capitalized on the economic recovery by broadening the menu" with salad bars and breakfast buffets, Culp said. And if the economy recovers this spring, so will the chain's traffic counts, he added.

Richard Pyle at Piper Hopwood & Jaffray in Minneapolis has drastically reduced his expectations for One Potato Two ($2.38) in the wake of heavier-than-expected third-quarter losses. Pyle recommends the stock for only his most patient, speculative clients. "We do not believe at this point the company will go out of business," Pyle said, "but the next nine months will be a crucial period."

Craig Weichmann at Morgan Keegan in Memphis counts Southern Hospitality's ($4.25) recent sale of its dinnerhouses as a plus. The company has stepped up expansion plans for its Wendy's and Mr. Gatti's units, Weichmann said.

Sales rise 6.5% to $10.1B signaling industry rebound

WASHINGTON — The Government's broadest measure of food-service industry sales rebounded smartly in November, rising 6.5% over the year-ago level after a paltry 2.9% uptick in October.

The news cheered analysts, who saw the gain as a signal that the industry and the economy in general were rising again after a summer slump.

The Commerce Department's Census Bureau advance monthly retail sales report, issued at the end of December, showed sales at eating and drinking establishments at $10.1 billion in November, compared with $9.5 billion in November 1983.

After adjustments for seasonal patterns, November's sales were up 2.7% from October, when the month-to-month measure dropped 2.4%. The year-to-year seasonally adjusted advance in November was 5.9%.

Seasonally adjusted figures, which are usually rendered in month-to-month comparisons, take into account fluctuations caused by the time of year and the number of business days and holidays in a period. But many industry analysts follow the unadjusted figures, which are usually rendered in year-to-year comparisons, because they feel seasonal adjustments can exaggerate short-term variations.

The Commerce Department said total retail sales, aided by an early surge in Christmas shopping, rose a seasonally adjusted 1.8% in November, the sharpest gain since April.

The Labor Department's Bureau of Labor Statistics said the consumer price index for food away from home rose 3.9% year-to-year in November.

The 3.9% rise in menu prices chopped November's sales gains to a "real" 2.6% year-to-year, which was a rebound from October.

"The slowdown in the rate of real sales growth at the unit level may have stabilized," said industry analysts Steven Rockwell and Margaret Preston at Alex Brown & Sons in Baltimore.

While noting a general slowdown in the past five months, analysts at Montgomery Securities of San Francisco said, "The bulk of the individual earnings problems experienced in 1984 can be traced to inappropriate or improperly executed managerial strategies or tactics."

SALES REBOUND IN NOVEMBER AS INFLATION MODERATES

(Year-to-Year Per Cent Change)

Month	Sales	Prices	Real Sales
Nov. '84	6.5	3.9	2.6
Oct. '84	2.9	4.0	(1.1)
Sept. '84	7.0	4.3	2.7
Aug. '84	11.4	4.7	6.7
July '84	6.1	4.4	1.7
June '84	8.8	4.4	4.4
May '84	7.9	4.4	3.5
April '84	7.0	4.1	2.9
March '84	9.1	4.1	5.0
Feb. '84	13.1	4.4	8.7
Jan. '84	9.3	3.8	5.5
Dec. '83	6.6	4.2	2.4

Sources:
Sales: Eating and Drinking Place Sales, not seasonally adjusted, U.S. Commerce Department.
Prices: Consumer Price Index for Food Away from Home, not seasonally adjusted, U.S. Labor Department.
Real Sales: *NRN* calculation: Sales minus Prices.

WALL STREET UPDATE

Index down 1.8 to 103 after strong '84 closing

NEW YORK — The new year got off to an inauspicious start in the first week of trading as the *Nation's Restaurant News* stock index gave up 1.8 points, closing at 103 on Jan. 4.

The decline in the 84-issue market-value measure snapped three consecutive weekly gains in the final days of 1984.

The Dow Jones Industrial Average in the same week slipped 19.21 points, to close at 1184.96. Market analysts said Wall Street was spooked by declining oil prices, slackness in high-technology industries and fears of rising interest rates toward the middle of the year.

From the first week of last year to the first week of this year, however, the *NRN* index outperformed the Dow by 2%, falling 6% while the Dow fell about 8%.

Issues advancing in price roughly matched those losing value on the more comprehensive gauge that includes not only food-service opera-

*(See **INDEX**, page 60)*

Restaurant Property files for Chap. 11

DALLAS — Restaurant Property Co., a real estate management company that holds some 200 restaurant sites, has filed for protection under Chapter 11 of the Federal Bankruptcy Code.

Steven Turoff, president of the privately owned corporation, said a plan has been filed with the court to reorganize the company.

Restaurant Property Co. leases sites from landlords and owns sites that it leases to restaurants throughout the Southeast and Midwest. It reached a cash flow crisis when more than 30 sites were vacant, Turoff said.

Chapter 11 protects a company from creditors while it seeks to work out its problems.